

Head 143- Ministry of Parliamentary Affairs
Report of the Auditor General – Year 2014

Paragraphs 1 and 2 of this report contained the general information on the accounts of the Ministry and the audit observations of the Head appear in paragraph 3 onwards.

1.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the Ministry of Parliamentary Affairs for the year ended 31 December 2014 was carried out in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Ministry on 01 June 2015. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and the reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

1.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory Provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

2. Accounts

2.1 Appropriation Account

(a) Total Provision and Expenditure

The total net provision made for the Ministry amounted to Rs.451 million and out of that a sum of Rs.428 million had been utilized by the end of the year under review. Thus, the savings out of the net provision of the Ministry amounted to Rs.23 million or 5 per cent of the net provision. Details appear below.

Expenditure	As at 31 December 2014			
	Net Provision	Utilization	Saving	Saving as a Percentage of Net Provision
	Rs. million	Rs. million	Rs. million	
Recurrent	406.38	406.24	0.14	0.03
Capital	44.60	22.18	22.42	50.27
Total	450.98	428.42	22.56	5.00

2.2 Advance Account

2.2.1 Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by the Parliament and the actual amounts of the Advances to Public Officers Account of the Ministry are given below.

Item No.	Expenditure		Receipts		Debit Balance	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
	Rs. million	Rs. million	Rs. million	Rs. million	Rs. million	Rs. million
14301	4.00	3.21	2.30	2.65	20.00	8.10

2.3 General Deposit Account

The balance of the General Deposit Account of the Ministry as at 31 December 2014 amounted to Rs.0.95 million.

2.4 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2014, it was observed that except the audit observations appearing at Paragraph 1.1 of the Management Audit Report, the Appropriation Account and the Reconciliation Statements of the Ministry had been prepared satisfactorily. The material and important observations included in that Management Audit Report appear in Paragraphs 3 herein.

3. Head 143- Ministry of Parliamentary Affairs

3.1 Non-maintenance of Registers and Books

A register of fixed assets on computers, computer accessories and software in terms of Treasury Circular No. IAI/2002/02 of 28 November 2002 had not been maintained by the Ministry.

3.2 Appropriation Account

3.2.1 Budgetary Variance

The following observations are made.

- (a) The entire net provision of Rs.200,000 made for 02 Objects had been saved.
- (b) Excess provisions had been obtained for 08 Objects and as such the savings thereunder after utilizing the provisions ranged between 10 per cent to 98 per cent of the net provisions relating to those Objects.

3.3 Reconciliation Statement of Advances to Public Officers Account

The following deficiencies were observed during the audit test check carried out relating to the reconciliation statement of Advances to Public Officers Account item number 14301 as at 31 December 2014.

- (a) The reconciliation statement had not been presented in terms of provisions in the Public Enterprises Circular No. 96 of 10 August 1994.
- (b) Action had not been taken by the Ministry to recover the loan balance of a female officer transferred out during the month of August 2014 through the monthly accounts summaries as per the Paragraph 1.1.6 of National Budget Circular No. 118 of 11 October 2004.
- (c) The loan balances relating to the officers transferred out and officers dismissed had been included in the schedule of loan balances of the officers who deploying in the services of the Ministry.

3.4 Unsettled Liabilities

The unsettled liabilities by the Ministry as at 31 December 2014 amounted to Rs.13,940,741.

3.5 Non-compliances

Non-compliance with Laws, Rules, Regulations etc.

Instances of non-compliance with the provisions of Laws, Rules, and Regulations observed at audit test checks are analyzed below.

Reference to Laws, Rules and Regulations	Value	Non-compliance
	Rs.	
Financial Regulations of the Democratic Socialist Republic of Sri Lanka		
(i) Financial Regulation 94 (1)	13,389,926	The commitments had been incurred exceeding the savings after utilizing the provision made for 05 Objects.
(ii) Financial Regulation 396 (d)	438,842	Action in terms Financial Regulation had not been taken in respect of 16 lapsed cheques valued at Rs.438,842 which issued but not presented for the payment to the bank.

3.6 Irregular Transection

Certain transactions executed into by the Ministry had been devoid of regularity. Few such instances observed are shown below.

(a) Deviation from the Government Procurement Procedure

Three computers had been purchased by the Ministry during the year under review by spending Rs.461,250. The following observations are made in this connection.

- (i) The computers so purchased were in discolored and perishable condition. However, no disciplinary action had been taken relating to the officer who approved the payment of these computers. Further, without taking action to blacklisting the institution which supplied the computers with defects and providing fair, equal and maximum opportunity for eligible interested parties to participate in procurement in terms of Guideline 1.2.1 (c) of the Procurement Guidelines, the computers had been obtained again from the same institution after returning of the defect computers.

- (ii) According to Guideline 8.12.3 (a) and (b) of the Government Procurement Guidelines it should be certified by the officer in charge for receipt of goods that the goods supplied are in accordance with the specifications and other agreed terms and according to Guideline 8.11.6 (a), the procurement entity should be maintained a departmental data base of defaulting suppliers for contracts, the value of which less than Rs.5 million. However, such action had not been taken in respect of re-purchasing and accepting the above computers.

(b) Dual Payments

An officer who deployed at the Disaster Management Centre of Monoragala was appointed as a Management Assistant to the staff of the Minister of Parliamentary Affairs and paid a sum of Rs.1,008,307 as salary for the period from 27 April 2010 to 31 May 2014 while he had been paid the salary for this period by the Disaster Management Centre of Monoragala as well.

3.7 Human Resources Management

Approved Cadre and Actual Cadre

The position of cadre as at 31 December 2014 was as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i) Senior Level	08	06	02
(ii) Tertiary Level	03	-	03
(iii) Secondary Level	37	29	08
(iv) Primary Level	19	16	03
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Total	67	51	16
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The Ministry had not taken action to fill 16 vacancies even as at the end of the year under review.